



FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

FEDERAL INSURANCE MITIGATION ADMINISTRATION (FIMA)

APPEAL DECISION

FEMA Flood Insurance Appeal Decision #C22

OVERVIEW

The policyholder filed an appeal on July 2019, alleging his flood insurance carrier (hereinafter “insurer”) improperly denied part of his claim under the Standard Flood Insurance Policy (SFIP)¹ for damages to covered property arising from a flood event dated August 2017.²

In its review, FEMA found the following facts relevant:

- At the time of loss, the policyholder had \$106,300 in building coverage and \$49,500 in personal property coverage.
- The policyholder filed a claim with his insurer for flood damage and the insurer assigned an adjuster to inspect the property.
- On September 2017, the adjuster inspected the property. The adjuster measured waterlines of 13 inches on the exterior and seven inches on the interior of the dwelling. Floodwaters remained at the property for approximately three days. The adjuster’s estimate documented damage to the floors, trim, walls, doors, cabinets, appliances, and personal property.³
- After reviewing the adjuster’s estimate, the insurer issued the policyholder payment of \$97,548.88 for building damages and \$49,500 for personal property damage.
- In a letter dated May 2019, the insurer denied coverage for damage to upper cabinets and insulation above 19 inches because they were not directly damaged by flood. Additionally, the letter denied coverage for countertops and several other items. The insurer denied these items because they needed documentation demonstrating the items were repaired or replaced from a prior flood loss.
- The policyholder appealed the insurer’s denial. The appeal requests payment for insulation up to four feet on all exterior facing walls, new granite countertop for the double sink vanity, two under mount sinks with cutouts, kitchen granite countertops, upper cabinets to match lower cabinets, and an AC unit.

¹ See 44 C.F.R. § 61.13 (2016); Dwelling Form available at 44 C.F.R. pt. 61 App. A (1) [hereinafter “SFIP”].

² The policyholder files this appeal under 44 C.F.R. § 62.20. The appeals process is available after the insurer issues a written denial, in whole or in part, of the policyholder’s claim. The policyholder’s appeal and related documents concerning the appeal, claim, or policy are on file with FEMA, Federal Insurance and Mitigation Administration, Federal Insurance Directorate, Policyholder Services Division, Appeals Branch [hereinafter “Appeal File”].

³ See Appeal File, Adjuster’s Preliminary Report.

RULES

The SFIP pays for loss or damage directly caused by flood. There must be evidence of physical changes to the insured property.⁴

The SFIP requires policyholders to provide a complete inventory of damaged property, this includes evidence that prior flood damage has been repaired.⁵

The SFIP excludes the cost of complying with any ordinance or law requiring or regulating the construction, demolition, remodeling, renovation, or repair of property.⁶

ANALYSIS

The policyholder is appealing the insurer's denial of coverage for insulation, upper cabinetry, and countertops. The policyholder also requests payment for a double sink vanity with undermount sinks, and an AC unit.

The SFIP pays for direct physical loss to covered property by or from flood. Here, the insurer denied coverage for upper cabinets, insulation higher than 19 inches, and countertops because they were not directly touched by floodwaters. The policyholder has not included any documentation that would indicate these items were directly damaged by or from flood. FEMA's review finds that the insurer correctly denied these items due to the lack of evidence that they suffered direct physical loss by or from flood.

The policyholder requests payment for a double sink vanity with undermount sinks. FEMA review of the claim file and appeal finds there is no documentation supporting the need to replacement the vanity due to flood damage. The photographic evidence does not indicate warping or a waterline.

The policyholder also requests payment for the replacement of an AC unit. The insurer paid the policyholder to replace the exterior portion of the AC unit. The interior air handler located in the attic was untouched by flood. The SFIP does not provide coverage for the interior air handler because it was not directly damaged by flood. Any necessary code compliance requirements or upgrades for the AC unit are specifically excluded under the SFIP.

The SFIP requires policyholders to provide evidence that prior flood damage has been repaired. For the insurer to consider making any additional payments on this claim, the policyholder needs to provide the insurer with supporting documentation that prior loss damage was repaired prior to August 2017. The policyholder should submit, directly to the insurer with any invoices, receipts, and photographs proving that the prior flood damage was repaired before subject flood event.

⁴ See SFIP (II)(B)(12).

⁵ See SFIP (VII)(K)(2)(e).

⁶ See SFIP (V)(A)(6).

CONCLUSION

Based on the facts and analysis above, FEMA concurs with the insurer's decision to deny coverage. If the policyholder has additional evidence that supports the claim, he should submit it to the insurer for consideration.